



CONSUMER NEWS

SAN DIEGO CITY ATTORNEY'S OFFICE

Travel Scams

December 2009

If you are planning a trip, you should know about the consumer protections in place to ensure you receive what the travel promoter promises. This newsletter discusses California consumer protection laws regulating travel promoters.

SELLERS OF TRAVEL ARE REGULATED:

Anyone who sells, provides, contracts for, arranges, or advertises that he/she can provide wholesale or retail air or sea transportation is regulated by California law. Thus, anyone who acts as a travel agent is regulated.

This law does not regulate airlines, cruise lines, hotels, or railroad companies. Those businesses are regulated by other laws.



OBLIGATION TO PROVIDE TRAVEL OR REFUND:

A seller of travel must either provide the travel services purchased by the customer or make a refund of all money paid for the services not provided to the customer. That refund is due at the earliest of the following dates:

- 30 days from the scheduled date of departure
- 30 days from the day the passenger requests a refund
- 30 days from the day the seller of travel cancels the travel
- 3 days from the day the seller of travel is first unable to provide the travel services

The seller of travel must deposit all money he/she receives from the customer in a trust account until it is spent on the customer's travel. He/she can only take payment for his/her

services from this account after all tickets have been delivered to the customer.

Some sellers of travel are not required to deposit customers' money in trust, but these sellers must deliver all tickets and vouchers to the customer within 72 hours (3 business days) of receiving payment in full for the services.

If a seller of travel fails to make a refund as required, he/she can be charged with a misdemeanor punishable by a fine of \$10,000 and one year in jail or, if the amount taken exceeds \$1000, by a felony punishable by prison.

REGISTRATION AND BOND REQUIRED:

Sellers of travel are required to register with the office of the California Attorney General prior to doing business in California. Anyone who does business as a seller of travel without first registering, is

guilty of a misdemeanor. The application process requires the seller of travel to provide identification, contact information, criminal history, trust account information, and other important information.

Registrations are good for one year. The seller of travel must display his/her registration at his/her place of business in a manner and place easily accessible to the public. The seller of travel must also clearly and conspicuously display the registration number on all advertising materials.

Consumers can check whether their travel promoter is registered with the Attorney General by checking on the internet at <http://ag.ca.gov/travel/index.php> or calling (213) 897-8846.

A seller of travel may avoid having to set up a trust account to hold customers' money if he/she obtains an adequate bond that is equal to three times the amount of money he/she would have to deposit in a trust account. This bond must be purchased for the benefit of every customer who sustains a monetary loss as a result of a violation law by the seller of travel. Information about this bond must be provided to the office of the California Attorney General.

TRAVEL CONSUMER RESTITUTION FUND:

Sellers of Travel must also make payments to the Travel Consumer Restitution Fund. This fund is administered by the

Travel Consumer Restitution Corporation (TCRC).

A consumer who suffers a loss of more than \$50 paid for air or sea transportation or travel services may file a claim with the TCRC. These claims must be filed within one year after the scheduled date of the completion of the travel. The consumer must have been located in California at the time he/she paid for the services. Applicants must pay a nonrefundable \$50 processing fee.

The TCRC has made refunds to many residents of San Diego who purchased travel from disreputable travel promoters or promoters who went out of business.

Consumers can access the TCRC claim forms online at <http://www.tcrcinfo.com>.

TIPS:

When purchasing travel services, the following tips may help save you money and disappointment:

- Ask the seller of travel for his/her registration information.
- Verify the seller of travel is registered by checking the Attorney General's website.
- Check with the Better Business Bureau for the area where the seller of travel does business. In San Diego, the BBB website is <http://www.sandiego.bbb.org>

- Pay with a credit card so you have the option to receive a refund from your credit card company if the seller of travel fails to deliver the services.
- Demand your tickets when you have paid in full. Don't accept excuses.
- If the travel is to be provided by an airline or cruise line and you have not received your tickets, check with the airline or cruise line early to make sure the seller of travel has forwarded payment.

If you purchase travel services and the seller does not provide them, contact the TCRC for a refund.

You should also report problems with sellers of travel to your local prosecutors. If the travel promoter is located in the City of San Diego or if the customer paid in the City of San Diego, call the City Attorney's Office consumer hotline at (619) 533-5600.

Violations in the County of San Diego should be reported to the District Attorney at (619) 531-3507. The Attorney General also takes complaints about sellers of travel on line.

Be sure to let one of these prosecution offices know of your experience even if you obtain a refund from your credit card company or TCRC, so action can be taken to ensure others are not victimized. Consumer protection

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